



28 February 2024

Dear Shareholders,

**UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (“FY 2023”)**

**Highlights in FY 2023**

- Revenue for financial year 2023 was US\$19.13 million, 22% lower than previous financial year. The decrease was due mainly to lower weighted average transacted oil prices of US\$81.27 per barrel for FY 2023 (FY 2022: US\$99.31 per barrel) although higher sales of shareable oil of 319,909 barrels in FY 2023 (FY 2022: 312,323 barrels).
- Net profit for the financial year was US\$1.12 million, as compared to net profit for previous financial year of US\$9.51 million, mainly due to lower revenue of US\$5.36 million and impairment loss on exploration and evaluation assets of US\$4.88 million, partly offset by gain on disposal of patent rights of US\$1.71 million.
- Earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment (EBITDA) for the financial year was US\$9.56 million.
- Net cash inflow for the financial year was US\$3.12 million, due mainly to net cash provided by operating activities of US\$8.12 million offset by net cash used for total capital expenditure of US\$4.04 million and investment in convertible bond of US\$1.12 million.
- Cash and cash equivalents were US\$17.26 million as at 31 December 2023.

Yours sincerely,

The Board of Directors  
Interra Resources Limited

**About Interra**

Interra Resources Limited, a Singapore-incorporated company listed on SGX Mainboard, is engaged in the business of petroleum exploration and production (E&P). Our E&P activities include petroleum production, field development and exploration. We are positioning ourselves to become a leading regional independent producer of petroleum.

# INTERRA RESOURCES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197300166Z)

## UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND HALF-YEAR AND FULL YEAR ENDED 31 DECEMBER 2023

### TABLE OF CONTENTS

| Item No.   | Description   | Page No. |
|------------|---|----------|
| A          | Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income | 2 - 3    |
| B          | Condensed Interim Statement of Financial Position   | 4        |
| C          | Condensed Interim Statement of Changes in Equity  | 5        |
| D          | Condensed Interim Statement of Cash Flows   | 6        |
| E          | Notes to the Condensed Interim Consolidated Financial Statements                          | 7 - 19   |
| F          | Other Information Required by Listing Rule Appendix 7.2                                   | 20 - 23  |
| G          | Abbreviations   | 24       |
| Appendix A | Production, Development & Exploration Activities Report                                   |          |

| Group   | Note | 2H 2023<br>US\$'000 | 2H 2022<br>US\$'000 | Change<br>% | FY 2023<br>US\$'000 | FY 2022<br>US\$'000 | Change<br>% |
|---|------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|
| Revenue   | 4    | 9,496               | 11,974              | ↓ 21        | 19,127              | 24,489              | ↓ 22        |
| Cost of production  |      | (6,286)             | (5,828)             | ↑ 8         | (11,946)            | (11,863)            | ↑ 1         |
| <b>Gross profit</b>   |      | <b>3,210</b>        | <b>6,146</b>        | <b>↓ 48</b> | <b>7,181</b>        | <b>12,626</b>       | <b>↓ 43</b> |
| Other income, net   |      | 921                 | 388                 | ↑ 137       | 3,226               | 664                 | ↑ 386       |
| Administrative expenses   |      | (1,603)             | (1,443)             | ↑ 11        | (3,078)             | (2,605)             | ↑ 18        |
| Finance expenses  |      | (35)                | (40)                | ↓ 13        | (103)               | (99)                | ↑ 4         |
| Other expenses  |      | (73)                | (77)                | ↓ 5         | (145)               | (156)               | ↓ 7         |
| Impairment and allowances*  |      | -                   | -                   | NA          | (4,884)             | -                   | NM          |
| Share of losses of joint venture after tax                              |      | (3)                 | -                   | NM          | (3)                 | -                   | NM          |
| <b>Profit before income tax</b>   |      | <b>2,417</b>        | <b>4,974</b>        | <b>↓ 51</b> | <b>2,194</b>        | <b>10,430</b>       | <b>↓ 79</b> |
| Income tax expense  | 7    | (489)               | (348)               | ↑ 41        | (1,070)             | (917)               | ↑ 17        |
| <b>Profit for the financial period/year</b>                             |      | <b>1,928</b>        | <b>4,626</b>        | <b>↓ 58</b> | <b>1,124</b>        | <b>9,513</b>        | <b>↓ 88</b> |
| <b>Attributable to:</b>   |      |                     |                     |             |                     |                     |             |
| Equity holders of the Company   |      | 1,963               | 4,663               |             | 2,521               | 9,578               |             |
| Non-controlling interests   |      | (35)                | (37)                |             | (1,397)             | (65)                |             |
|   |      | <b>1,928</b>        | <b>4,626</b>        |             | <b>1,124</b>        | <b>9,513</b>        |             |
| <b>Earnings per share attributable to equity holders of the Company</b> |      |                     |                     |             |                     |                     |             |
| <b>Basic earnings per share (US cents)</b>                              |      | <b>0.299</b>        | <b>0.711</b>        |             | <b>0.385</b>        | <b>1.461</b>        |             |
| <b>Diluted earnings per share (US cents)</b>                            |      | <b>0.299</b>        | <b>0.711</b>        |             | <b>0.385</b>        | <b>1.461</b>        |             |

| Group  | Note | 2H 2023<br>US\$'000 | 2H 2022<br>US\$'000 | Change<br>% | FY 2023<br>US\$'000 | FY 2022<br>US\$'000 | Change<br>% |
|--|------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|
| <b>Total profit for the financial period/year</b>  |      | 1,928               | 4,626               | ↓ 58        | 1,124               | 9,513               | ↓ 88        |
| <b>Other comprehensive income, net of tax<br/>Items that may be reclassified subsequently<br/>to profit or loss:</b> |      |                     |                     |             |                     |                     |             |
| Currency translation differences arising<br>from consolidation   |      | (25)                | (48)                | ↓ 48        | 16                  | (102)               | ↓ 116       |
| <b>Total comprehensive income<br/>for the financial period/year</b>  |      | <b>1,903</b>        | <b>4,578</b>        | ↓ 58        | <b>1,140</b>        | <b>9,411</b>        | ↓ 88        |
| <b>Attributable to:</b>  |      |                     |                     |             |                     |                     |             |
| Equity holders of the Company  |      | 1,938               | 4,615               |             | 2,537               | 9,476               |             |
| Non-controlling interests  |      | (35)                | (37)                |             | (1,397)             | (65)                |             |
|  |      | <b>1,903</b>        | <b>4,578</b>        |             | <b>1,140</b>        | <b>9,411</b>        |             |

↑ denotes increase

↓ denotes decrease

NM denotes not meaningful

NA denotes not applicable

\* Refer to the impairment loss on exploration and evaluation assets, see Note 13 Exploration and evaluation assets for further explanation.

B CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

|   | Note | Group         |               | Company       |               |
|---|------|---------------|---------------|---------------|---------------|
|   |      | 31-Dec-23     | 31-Dec-22     | 31-Dec-23     | 31-Dec-22     |
|   |      | US\$'000      | US\$'000      | US\$'000      | US\$'000      |
| <b>Assets</b>   |      |               |               |               |               |
| <b>Non-current assets</b>                                   |      |               |               |               |               |
| Property, plant and equipment                               | 10   | 9             | 32            | 9             | 32            |
| Right-of-use assets   | 11   | 245           | 366           | 206           | 288           |
| Producing oil and gas properties                            | 12   | 10,507        | 11,081        | -             | -             |
| Exploration and evaluation assets                           | 13   | 10,453        | 13,915        | -             | -             |
| Intangible assets   | 14   | -             | 1,768         | -             | -             |
| Investments in subsidiary corporations                      |      | -             | -             | 19,062        | 19,062        |
| Investments in associated companies                         | 15   | -             | -             | -             | -             |
| Investments in joint venture                                | 16   | 284           | -             | 287           | -             |
| Investments in convertible bond                             | 17   | 1,124         | -             | 1,124         | -             |
| Trade and other receivables                                 | 5    | 5,993         | 5,227         | 3,735         | 10,209        |
|   |      | <b>28,615</b> | <b>32,389</b> | <b>24,423</b> | <b>29,591</b> |
| <b>Current assets</b>                                       |      |               |               |               |               |
| Inventories   |      | 3,351         | 3,819         | -             | -             |
| Trade and other receivables                                 | 5    | 2,722         | 4,900         | 94            | 56            |
| Other current assets  |      | 159           | 408           | 62            | 38            |
| Cash and cash equivalents                                   | 5    | 17,258        | 14,138        | 264           | 361           |
|   |      | <b>23,490</b> | <b>23,265</b> | <b>420</b>    | <b>455</b>    |
| <b>Total assets</b>   |      | <b>52,105</b> | <b>55,654</b> | <b>24,843</b> | <b>30,046</b> |
| <b>Liabilities</b>  |      |               |               |               |               |
| <b>Non-current liabilities</b>                              |      |               |               |               |               |
| Trade and other payables                                    | 5    | 842           | 4,322         | -             | -             |
| Lease liabilities   | 5    | 123           | 263           | 123           | 206           |
|   |      | <b>965</b>    | <b>4,585</b>  | <b>123</b>    | <b>206</b>    |
| <b>Current liabilities</b>                                  |      |               |               |               |               |
| Trade and other payables                                    | 5    | 3,740         | 4,566         | 11,335        | 11,323        |
| Lease liabilities   | 5    | 125           | 182           | 85            | 85            |
| Current income tax liabilities                              |      | 3,036         | 3,423         | 172           | 30            |
|   |      | <b>6,901</b>  | <b>8,171</b>  | <b>11,592</b> | <b>11,438</b> |
| <b>Total liabilities</b>                                    |      | <b>7,866</b>  | <b>12,756</b> | <b>11,715</b> | <b>11,644</b> |
| <b>Net assets</b>   |      | <b>44,239</b> | <b>42,898</b> | <b>13,128</b> | <b>18,402</b> |
| <b>Equity</b>   |      |               |               |               |               |
| Share capital   | 20   | 75,157        | 75,157        | 75,157        | 75,157        |
| Accumulated losses  |      | (15,833)      | (18,354)      | (62,032)      | (56,755)      |
| Other reserves  |      | (16,614)      | (16,633)      | 3             | -             |
| <b>Equity attributable to equity holders of the Company</b> |      | <b>42,710</b> | <b>40,170</b> | <b>13,128</b> | <b>18,402</b> |
| Non-controlling interests                                   |      | 1,529         | 2,728         | -             | -             |
| <b>Total equity</b>   |      | <b>44,239</b> | <b>42,898</b> | <b>13,128</b> | <b>18,402</b> |

C CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

| Group   | Share Capital<br>US\$'000 | Currency Translation Reserve<br>US\$'000 | Special Reserve<br>US\$'000 | Share Option Reserve<br>US\$'000 | Accumulated Losses<br>US\$'000 | Total<br>US\$'000 | Non-Controlling Interests<br>US\$'000 | Total Equity<br>US\$'000 |
|---|---------------------------|--|-----------------------------|----------------------------------|--------------------------------|-------------------|---------------------------------------|--------------------------|
| <b>Balance as at 1 Jan 2023</b>   | 75,157                    | (88)                                     | (16,545)                    | -                                | (18,354)                       | 40,170            | 2,728                                 | 42,898                   |
| Net profit/(loss) for FY 2023   | -                         | -  | -                           | -                                | 2,521                          | 2,521             | (1,397)                               | 1,124                    |
| <u>Other comprehensive income/(loss)</u>                                    |                           |  |                             |                                  |                                |                   |                                       |                          |
| Currency translation differences  | -                         | 16                                       | -                           | -                                | -                              | 16                | -                                     | 16                       |
| Total comprehensive income/(loss) for FY 2023                               | -                         | 16                                       | -                           | -                                | 2,521                          | 2,537             | (1,397)                               | 1,140                    |
| Employee share option - value of employee services                          | -                         | -  | -                           | 3                                | -                              | 3                 | -                                     | 3                        |
| Additional increase of non-controlling interests in subsidiary corporation  | -                         | -  | -                           | -                                | -                              | -                 | 198                                   | 198                      |
| Total transactions with owners, recognised directly in equity               | -                         | -  | -                           | 3                                | -                              | 3                 | 198                                   | 201                      |
| <b>Balance as at 31 Dec 2023</b>  | <b>75,157</b>             | <b>(72)</b>                              | <b>(16,545)</b>             | <b>3</b>                         | <b>(15,833)</b>                | <b>42,710</b>     | <b>1,529</b>                          | <b>44,239</b>            |
| <b>Balance as at 1 Jan 2022</b>   | 75,157                    | 14                                       | (16,545)                    | 177                              | (28,559)                       | 30,244            | 3,013                                 | 33,257                   |
| Net profit/(loss) for FY 2022   | -                         | -  | -                           | -                                | 9,578                          | 9,578             | (65)                                  | 9,513                    |
| <u>Other comprehensive loss</u>   |                           |  |                             |                                  |                                |                   |                                       |                          |
| Currency translation differences  | -                         | (102)                                    | -                           | -                                | -                              | (102)             | -                                     | (102)                    |
| Total comprehensive (loss)/income for FY 2022                               | -                         | (102)                                    | -                           | -                                | 9,578                          | 9,476             | (65)                                  | 9,411                    |
| Employee share option - share option lapsed                                 | -                         | -  | -                           | (177)                            | 177                            | -                 | -                                     | -                        |
| Additional increase of non-controlling interests in subsidiary corporation  | -                         | -  | -                           | -                                | -                              | -                 | 230                                   | 230                      |
| Non-controlling interests adjustment to equity due to dilution of interests | -                         | -  | -                           | -                                | 450                            | 450               | (450)                                 | -                        |
| Total transactions with owners, recognised directly in equity               | -                         | -  | -                           | (177)                            | 627                            | 450               | (220)                                 | 230                      |
| <b>Balance as at 31 Dec 2022</b>  | <b>75,157</b>             | <b>(88)</b>                              | <b>(16,545)</b>             | <b>-</b>                         | <b>(18,354)</b>                | <b>40,170</b>     | <b>2,728</b>                          | <b>42,898</b>            |

| Company  | Share Capital<br>US\$'000 | Share Option Reserve<br>US\$'000 | Accumulated Losses<br>US\$'000 | Total Equity<br>US\$'000 |
|--|---------------------------|----------------------------------|--------------------------------|--------------------------|
| <b>Balance as at 1 Jan 2023</b>                    | 75,157                    | -                                | (56,755)                       | 18,402                   |
| Total comprehensive loss for FY 2023               | -                         | -                                | (5,277)                        | (5,277)                  |
| Employee share option - value of employee services | -                         | 3                                | -                              | 3                        |
| <b>Balance as at 31 Dec 2023</b>                   | <b>75,157</b>             | <b>3</b>                         | <b>(62,032)</b>                | <b>13,128</b>            |
| <b>Balance as at 1 Jan 2022</b>                    | 75,157                    | 177                              | (55,967)                       | 19,367                   |
| Total comprehensive loss for FY 2022               | -                         | -                                | (965)                          | (965)                    |
| Employee share option - share option lapsed        | -                         | (177)                            | 177                            | -                        |
| <b>Balance as at 31 Dec 2022</b>                   | <b>75,157</b>             | <b>-</b>                         | <b>(56,755)</b>                | <b>18,402</b>            |

D CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

| Group  | Note | 2H 2023<br>US\$'000 | 2H 2022<br>US\$'000 | FY 2023<br>US\$'000 | FY 2022<br>US\$'000 |
|--|------|---------------------|---------------------|---------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>                            |      |                     |                     |                     |                     |
| Net profit   |      | 1,928               | 4,626               | 1,124               | 9,513               |
| <b>Adjustments for non-cash items:</b>                                 |      |                     |                     |                     |                     |
| Income tax expense   |      | 489                 | 348                 | 1,070               | 917                 |
| Share of losses of joint venture after tax                             |      | 3                   | -                   | 3                   | -                   |
| Share option expense   |      | 3                   | -                   | 3                   | -                   |
| Depreciation of property, plant and equipment                          |      | 13                  | 12                  | 25                  | 25                  |
| Depreciation of right-of-use assets                                    |      | 61                  | 86                  | 121                 | 189                 |
| Amortisation of producing oil and gas properties                       |      | 1,859               | 1,249               | 3,193               | 2,244               |
| Amortisation of intangible assets                                      |      | -                   | 168                 | -                   | 337                 |
| Interest income  |      | (730)               | (192)               | (1,208)             | (325)               |
| Impairment loss on exploration and evaluation assets                   |      | -                   | -                   | 4,884               | -                   |
| Fair value loss on convertible bond through profit or loss             |      | 13                  | -                   | 13                  | -                   |
| Interest on borrowings   |      | -                   | 2                   | -                   | 22                  |
| Interest on lease liabilities  |      | 5                   | 5                   | 10                  | 11                  |
| Gain on derecognised of lease liability                                |      | (54)                | -                   | (54)                | (3)                 |
| Unwinding of interest-free from non-current payables                   |      | 30                  | 33                  | 93                  | 65                  |
| Amortised cost adjustment for interest-free non-current payables       |      | (93)                | (126)               | (93)                | (126)               |
| Gain on disposal of intangible assets                                  |      | -                   | -                   | (1,712)             | -                   |
| Unrealised currency translation (gains)/losses                         |      | (21)                | (21)                | 5                   | (59)                |
| <b>Operating profit before working capital changes</b>                 |      | <b>3,506</b>        | <b>6,190</b>        | <b>7,477</b>        | <b>12,810</b>       |
| <b>Changes in working capital</b>                                      |      |                     |                     |                     |                     |
| Inventories  |      | 207                 | (569)               | 468                 | (432)               |
| Trade and other receivables and other current assets                   |      | 1,325               | 857                 | 2,466               | (888)               |
| Trade and other payables   |      | (1,067)             | 1,142               | (826)               | 2,212               |
| <b>Cash generated from operations</b>                                  |      | <b>3,971</b>        | <b>7,620</b>        | <b>9,585</b>        | <b>13,702</b>       |
| Income tax paid  |      | (882)               | (629)               | (1,462)             | (1,160)             |
| <b>Net cash provided by operating activities</b>                       |      | <b>3,089</b>        | <b>6,991</b>        | <b>8,123</b>        | <b>12,542</b>       |
| <b>Cash Flows from Investing Activities</b>                            |      |                     |                     |                     |                     |
| Interest received  |      | 298                 | 22                  | 606                 | 27                  |
| Investments in joint venture   |      | (287)               | -                   | (287)               | -                   |
| Investments in convertible bond  |      | (1,123)             | -                   | (1,123)             | -                   |
| Additions to property, plant and equipment                             |      | (1)                 | -                   | (2)                 | (1)                 |
| Additions to producing oil and gas properties                          |      | (770)               | (968)               | (2,619)             | (2,568)             |
| Additions to exploration and evaluation assets                         |      | (18)                | (101)               | (1,422)             | (138)               |
| <b>Net cash used in investing activities</b>                           |      | <b>(1,901)</b>      | <b>(1,047)</b>      | <b>(4,847)</b>      | <b>(2,680)</b>      |
| <b>Cash Flows from Financing Activities</b>                            |      |                     |                     |                     |                     |
| Interest paid  |      | (5)                 | (17)                | (10)                | (39)                |
| Repayment of bank loans  |      | -                   | (1,000)             | -                   | (1,000)             |
| Principal elements of lease payments                                   |      | (63)                | (81)                | (146)               | (173)               |
| <b>Net cash used in financing activities</b>                           |      | <b>(68)</b>         | <b>(1,098)</b>      | <b>(156)</b>        | <b>(1,212)</b>      |
| <b>Net increase in cash and cash equivalents</b>                       |      | <b>1,120</b>        | <b>4,846</b>        | <b>3,120</b>        | <b>8,650</b>        |
| <b>Cash and cash equivalents at beginning of financial period/year</b> |      | <b>16,138</b>       | <b>9,292</b>        | <b>14,138</b>       | <b>5,488</b>        |
| <b>Cash and cash equivalents at end of financial period/year</b>       |      | <b>17,258</b>       | <b>14,138</b>       | <b>17,258</b>       | <b>14,138</b>       |

**1 Corporate Information**

Interra Resources Limited (the "Company") is a company incorporated in the Republic of Singapore and is publicly traded on the Singapore Exchange Securities Trading Limited ("SGX-ST") Mainboard. The address of its registered office is at 1 Grange Road #05-04 Orchard Building Singapore 239693. These condensed interim consolidated financial statements as at and for the second-half year ended 31 Dec 2023 comprise the Company and its subsidiary corporations (collectively, the "Group") and the Group's interests in joint operations and associated companies. The primary activities of the Company is that of investment holding.

The principal activities of the Group are as follows:

- (a) Exploration and operation of oil fields for crude petroleum production; and
- (b) Investment holding.

**2 Basis of Preparation**

The condensed interim financial statements for the second-half year ended 31 Dec 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Committee. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 Jun 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in United States Dollar which is the Company's functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

During 2H 2023, the Group reported a net cash provided by operating activities of US\$3.09 mil. The Board of Directors ("BOD") has assessed that the going concern basis of preparation for this set of financial statements remain appropriate due to the following:

- (a) The Group's net assets and net current assets position of US\$44.24 mil and US\$16.59 mil respectively; and
- (b) The Group has sufficient cash to fund the operations of the Group, with free cash and cash equivalents of US\$17.26 mil as at 31 Dec 2023.

**2.1 New and Amended Standards Adopted by the Group**

The Group adopted the new/revised SFRS(I)s that are applicable to the Group with effective for annual periods beginning on or after 1 Jan 2023. The adoption of the new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the financial statements of the Group.

- SFRS(I) 17: Insurance Contracts

Amendments to:

- SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies
- SFRS(I) 1-8: Definition of Accounting Estimates
- SFRS(I) 1-12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- SFRS(I) 1-12: International Tax Reform - Pillar Two Model Rules

**2 Basis of Preparation (Cont'd)**

**2.2. Use of Judgements and Estimates**

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 Dec 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

Notes 12 and 13 - Impairment test of producing oil and gas properties and exploration and evaluation assets: key assumptions underlying recoverable amounts.

**Measurement of fair values**

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

**3 Seasonal Operations**

The Group's business are not affected significantly by seasonal or cyclical factors during the financial period.

## 4 SEGMENTED REVENUE AND RESULTS

The Group operates primarily in two geographical areas, namely Indonesia and Myanmar. The Group has one reportable business segment, namely the exploration and operation of oil fields for crude petroleum production.

Management has determined the operating segments based on the reports reviewed by the BOD that are used to make strategic decisions, allocate resources, and assess performance.

## 4.1 Reportable Segments

| Geographical Segment  | Indonesia<br>Oil and Gas |          | Myanmar<br>Oil and Gas |          | Consolidated |          |
|---|--------------------------|----------|------------------------|----------|--------------|----------|
|   | 2H 2023                  | 2H 2022  | 2H 2023                | 2H 2022  | 2H 2023      | 2H 2022  |
|   | US\$'000                 | US\$'000 | US\$'000               | US\$'000 | US\$'000     | US\$'000 |
| <b>Sales to external customers</b>                                      | -                        | -        | 9,496                  | 11,974   | 9,496        | 11,974   |
| <b>EBITDA</b>   | (51)                     | (71)     | 4,722                  | 7,304    | 4,671        | 7,233    |
| <b>EBIT</b>   | (51)                     | (71)     | 2,843                  | 5,847    | 2,792        | 5,776    |
| Amortisation, depreciation<br>and impairment losses                     | -                        | -        | (1,879)                | (1,457)  | (1,879)      | (1,457)  |
| Finance expenses  | (30)                     | (32)     | (1)                    | (3)      | (31)         | (35)     |
| <b>Segment results</b>  | 73                       | (28)     | 2,843                  | 5,847    | 2,916        | 5,819    |
| Unallocated corporate<br>net operating results                          |                          |          |                        |          | (496)        | (845)    |
| Share of losses of joint venture<br>after tax                           |                          |          |                        |          | (3)          | -        |
| <b>Profit before income tax</b>   |                          |          |                        |          | 2,417        | 4,974    |
| Income tax expense  |                          |          |                        |          | (489)        | (348)    |
| <b>Total profit</b>   |                          |          |                        |          | 1,928        | 4,626    |
| <b>Segment assets</b>   | 16,647                   | 20,658   | 33,413                 | 34,220   | 50,060       | 54,878   |
| Other segment assets  |                          |          |                        |          | 2,045        | 776      |
| <b>Total assets as per<br/>statement of<br/>financial position</b>      |                          |          |                        |          | 52,105       | 55,654   |
| <b>Total assets include:</b>  |                          |          |                        |          |              |          |
| - Capital expenditures<br>(Tangible and Intangible<br>assets)           | 18                       | 101      | 770                    | 968      | 788          | 1,069    |
| <b>Segment liabilities</b>  | 1,246                    | 1,260    | 2,978                  | 7,429    | 4,224        | 8,689    |
| Current income tax liabilities  |                          |          |                        |          | 3,036        | 3,423    |
| Other segment liabilities   |                          |          |                        |          | 606          | 644      |
| <b>Total liabilities as per<br/>statement of<br/>financial position</b> |                          |          |                        |          | 7,866        | 12,756   |

## 4 SEGMENTED REVENUE AND RESULTS (CONT'D)

| Geographical Segment  | Indonesia<br>Oil and Gas |          | Myanmar<br>Oil and Gas |          | Consolidated |          |
|---|--------------------------|----------|------------------------|----------|--------------|----------|
|   | FY 2023                  | FY 2022  | FY 2023                | FY 2022  | FY 2023      | FY 2022  |
|   | US\$'000                 | US\$'000 | US\$'000               | US\$'000 | US\$'000     | US\$'000 |
| <b>Sales to external customers</b>                                      | -                        | -        | 19,127                 | 24,489   | 19,127       | 24,489   |
| <b>EBITDA</b>   | (94)                     | (110)    | 9,653                  | 14,753   | 9,559        | 14,643   |
| <b>EBIT</b>   | (4,978)                  | (110)    | 6,421                  | 12,076   | 1,443        | 11,966   |
| Amortisation, depreciation<br>and impairment losses                     | (4,884)                  | -        | (3,232)                | (2,677)  | (8,116)      | (2,677)  |
| Finance expenses  | (93)                     | (65)     | (3)                    | (5)      | (96)         | (70)     |
| <b>Segment results</b>  | (5,077)                  | (102)    | 6,421                  | 12,076   | 1,344        | 11,974   |
| Unallocated corporate<br>net operating results                          |                          |          |                        |          | 853          | (1,544)  |
| Share of losses of joint venture<br>after tax                           |                          |          |                        |          | (3)          | -        |
| <b>Profit before income tax</b>   |                          |          |                        |          | 2,194        | 10,430   |
| Income tax expense  |                          |          |                        |          | (1,070)      | (917)    |
| <b>Total profit</b>   |                          |          |                        |          | 1,124        | 9,513    |
| <b>Segment assets</b>   | 16,647                   | 20,658   | 33,413                 | 34,220   | 50,060       | 54,878   |
| Other segment assets  |                          |          |                        |          | 2,045        | 776      |
| <b>Total assets as per<br/>statement of<br/>financial position</b>      |                          |          |                        |          | 52,105       | 55,654   |
| <b>Total assets include:</b>  |                          |          |                        |          |              |          |
| - Capital expenditures<br>(Tangible and Intangible<br>assets)           | 1,422                    | 138      | 2,619                  | 2,568    | 4,041        | 2,706    |
| <b>Segment liabilities</b>  | 1,246                    | 1,260    | 2,978                  | 7,429    | 4,224        | 8,689    |
| Current income tax liabilities  |                          |          |                        |          | 3,036        | 3,423    |
| Other segment liabilities   |                          |          |                        |          | 606          | 644      |
| <b>Total liabilities as per<br/>statement of<br/>financial position</b> |                          |          |                        |          | 7,866        | 12,756   |

**Notes**

EBIT represents the operating earnings before divestment gain, interest income, exchange difference, finance cost and tax. This is net of joint operation partner's share.

EBITDA represents the operating earnings before divestment gain, interest income, exchange difference, finance cost, tax, depreciation, amortisation, allowance and impairment. This is net of joint operation partner's share.

## 4 SEGMENTED REVENUE AND RESULTS (CONT'D)

## 4.2 Disaggregation of Revenue

The Group is principally engaged in the business of petroleum exploration and production. Revenue from the sale of oil and petroleum products is recognised when control of goods is transferred to the customer being when the product is physically transferred into a vessel, pipe and by other delivery mechanism at an amount that reflects the consideration to which the Group expects to be entitled in exchange of those goods.

## 4.3 Revenue Breakdown

|   | Group                 |                       | Increase /<br>(Decrease)<br>% |
|---|-----------------------|-----------------------|-------------------------------|
|   | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 |                               |
| <b>Revenue</b>  |                       |                       |                               |
| - First half  | 9,631                 | 12,515                | (23)                          |
| - Second half   | 9,496                 | 11,974                | (21)                          |
|   | <b>19,127</b>         | <b>24,489</b>         | (22)                          |
| <b>Operating profit/(loss) after tax before deducting non-controlling interests</b> |                       |                       |                               |
| - First half  | (804)                 | 4,887                 | (116)                         |
| - Second half   | 1,928                 | 4,626                 | (58)                          |
|   | <b>1,124</b>          | <b>9,513</b>          | (88)                          |

## 5 FINANCIAL ASSETS AND LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 Dec 2023 and 31 Dec 2022:

|  | Note | Group                 |                       | Company               |                       |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
|  |      | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 |
| <b>Financial Assets</b>                      |      |                       |                       |                       |                       |
| Trade and other receivables (amortised cost) |      |                       |                       |                       |                       |
| - current                                    |      | 2,722                 | 4,900                 | 94                    | 56                    |
| - non-current                                |      | 5,993                 | 5,227                 | 3,735                 | 10,209                |
| Cash and bank balances                       |      | 17,258                | 14,138                | 264                   | 361                   |
|  |      | <b>25,973</b>         | <b>24,265</b>         | <b>4,093</b>          | <b>10,626</b>         |
| <b>Financial Liabilities</b>                 |      |                       |                       |                       |                       |
| Trade and other payables (amortised cost)    |      |                       |                       |                       |                       |
| - current                                    |      | 3,740                 | 4,566                 | 11,335                | 11,323                |
| - non-current                                |      | 842                   | 4,322                 | -                     | -                     |
| Lease liabilities                            |      |                       |                       |                       |                       |
| - current                                    |      | 125                   | 182                   | 85                    | 85                    |
| - non-current                                |      | 123                   | 263                   | 123                   | 206                   |
|  |      | <b>4,830</b>          | <b>9,333</b>          | <b>11,543</b>         | <b>11,614</b>         |

## 5 FINANCIAL ASSETS AND LIABILITIES (CONT'D)

## 5.1 Breakdown on trade and other receivables

| Trade and other receivables             | Note | Group                 |                       | Company               |                       |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |      | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 |
| <b>Current</b>                          |      |                       |                       |                       |                       |
| Trade receivables - non-related parties |      | 2,389                 | 4,536                 | -                     | -                     |
| Loan to subsidiary corporations         |      | -                     | -                     | 10,135                | 10,126                |
| Less: Loss allowances                   |      | -                     | -                     | (10,135)              | (10,126)              |
| Loan to subsidiary corporations, net    |      | -                     | -                     | -                     | -                     |
| Other receivables - non-related parties |      | 333                   | 364                   | 94                    | 56                    |
| Loan to associated companies            |      | 528                   | 528                   | -                     | -                     |
|   |      | 861                   | 892                   | 94                    | 56                    |
| Less: Loss allowances                   |      | (528)                 | (528)                 | -                     | -                     |
|   |      | 333                   | 364                   | 94                    | 56                    |
|   |      | 2,722                 | 4,900                 | 94                    | 56                    |
| <b>Non-current</b>                      |      |                       |                       |                       |                       |
| Loan to subsidiary corporations         |      | -                     | -                     | 16,535                | 18,105                |
| Less: Loss allowance                    |      | -                     | -                     | (12,800)              | (7,896)               |
| Loan to subsidiary corporations, net    |      | -                     | -                     | 3,735                 | 10,209                |
| Loan to non-related parties             |      | 5,993                 | 5,227                 | -                     | -                     |
|   |      | 5,993                 | 5,227                 | 3,735                 | 10,209                |

## 5.2 Breakdown on trade and other payables

| Trade and other payables             | Note | Group                 |                       | Company               |                       |
|--------------------------------------|------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                      |      | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 |
| <b>Current</b>                       |      |                       |                       |                       |                       |
| Trade payables - non-related parties |      | 1,030                 | 1,695                 | -                     | -                     |
| Trade payables - related parties     |      | 270                   | 192                   | -                     | -                     |
| Accrued expenses                     |      | 655                   | 593                   | 367                   | 307                   |
| Other payables - non-related parties |      | 1,785                 | 2,086                 | 29                    | 44                    |
| Loan from subsidiary corporations    |      | -                     | -                     | 10,939                | 10,972                |
|                                      |      | 3,740                 | 4,566                 | 11,335                | 11,323                |
| <b>Non-current</b>                   |      |                       |                       |                       |                       |
| Other payable - non-related party    |      | 842                   | 842                   | -                     | -                     |
| Other payable - related party        |      | -                     | 3,480                 | -                     | -                     |
|                                      |      | 842                   | 4,322                 | -                     | -                     |

## 6 PROFIT BEFORE TAXATION

## 6.1 Significant items

| Group  | 2H 2023<br>US\$'000 | 2H 2022<br>US\$'000 | FY 2023<br>US\$'000 | FY 2022<br>US\$'000 |
|--|---------------------|---------------------|---------------------|---------------------|
| <b>Income</b>  |                     |                     |                     |                     |
| Interest income from bank deposits                               | 343                 | 69                  | 638                 | 77                  |
| Interest income from loan to non-related parties                 | 387                 | 123                 | 570                 | 248                 |
| Petroleum services fees  | 98                  | 75                  | 232                 | 168                 |
| Foreign exchange (loss)/gain, net                                | (62)                | (5)                 | (81)                | 41                  |
| Gain on disposal of intangible assets                            | -                   | -                   | 1,712               | -                   |
| Amortised cost adjustment for interest-free non-current payables | 93                  | 126                 | 93                  | 126                 |
| Gain on derecognised of lease liability                          | 54                  | -                   | 54                  | 3                   |
| Fair value loss on convertible bond through profit or loss       | (13)                | -                   | (13)                | -                   |
| <b>Expenses</b>  |                     |                     |                     |                     |
| Interest on borrowings   | -                   | 2                   | -                   | 22                  |
| Interest on lease liabilities                                    | 5                   | 5                   | 10                  | 11                  |
| Unwinding of interest-free from non-current payables             | 30                  | 33                  | 93                  | 65                  |
| Production expenses  | 4,438               | 4,391               | 8,753               | 9,225               |
| Depreciation of property, plant and equipment                    | 13                  | 12                  | 25                  | 25                  |
| Depreciation of right-of-use assets                              | 61                  | 86                  | 121                 | 189                 |
| Amortisation of producing oil and gas properties                 | 1,859               | 1,249               | 3,193               | 2,244               |
| Amortisation of intangible assets                                | -                   | 168                 | -                   | 337                 |
| Impairment loss on exploration and evaluation assets             | -                   | -                   | 4,884               | -                   |

## 6.2 Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 7 INCOME TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

| Group   | 2H 2023<br>US\$'000 | 2H 2022<br>US\$'000 | FY 2023<br>US\$'000 | FY 2022<br>US\$'000 |
|---|---------------------|---------------------|---------------------|---------------------|
| Current income tax expense                      | 928                 | 691                 | 1,509               | 1,275               |
| Prior year over provision of current income tax | (439)               | (343)               | (439)               | (358)               |
|   | <b>489</b>          | <b>348</b>          | <b>1,070</b>        | <b>917</b>          |

## 8 EARNINGS PER SHARE

| Group  | 2H 2023     | 2H 2022     | FY 2023     | FY 2022     |
|--|-------------|-------------|-------------|-------------|
|  | US\$'000    | US\$'000    | US\$'000    | US\$'000    |
| Basic earnings per ordinary share (US cents)   | 0.299       | 0.711       | 0.385       | 1.461       |
| Weighted average number of ordinary shares for the purpose of computing earnings per share               | 655,498,604 | 655,498,604 | 655,498,604 | 655,498,604 |
| Fully diluted earnings per ordinary share (US cents)   | 0.299       | 0.711       | 0.385       | 1.461       |
| Weighted average number of ordinary shares for the purpose of computing fully diluted earnings per share | 655,498,604 | 655,498,604 | 655,498,604 | 655,498,604 |

For the purpose of computing basic and fully diluted earnings per share, the relevant periods were from 1 Jul 2023 to 31 Dec 2023 and 1 Jan 2023 to 31 Dec 2023 (1 Jul 2022 to 31 Dec 2022 and 1 Jan 2022 to 31 Dec 2022) respectively. The weighted average number of ordinary shares on issue had not been adjusted as the share options were anti-dilutive in 2H 2022 and FY2022 respectively. There was no share options exercisable in 2H 2023 and FY 2023 respectively.

## 9 NET ASSET VALUE PER SHARE

|  | Group       |             | Company     |             |
|--|-------------|-------------|-------------|-------------|
|  | 31-Dec-23   | 31-Dec-22   | 31-Dec-23   | 31-Dec-22   |
|  | US\$'000    | US\$'000    | US\$'000    | US\$'000    |
| Net asset value per ordinary share based on total number of issued shares (excluding treasury shares) (US cents) | 6.516       | 6.128       | 2.003       | 2.807       |
| Total number of issued shares (excluding treasury shares)  | 655,498,604 | 655,498,604 | 655,498,604 | 655,498,604 |

## 10 PROPERTY, PLANT AND EQUIPMENT

| Group and Company             | Computers<br>US\$'000 | Office<br>Equipment<br>US\$'000 | Renovations,<br>Furniture and<br>Fittings<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------|-----------------------|---------------------------------|---|-------------------|
| <b>At 30 Jun 2023</b>         |                       |                                 |   |                   |
| Cost                          | 122                   | 7                               | 108   | 237               |
| Accumulated depreciation      | (117)                 | (7)                             | (92)  | (216)             |
| <b>Net book value</b>         | <b>5</b>              | <b>-</b>                        | <b>16</b>   | <b>21</b>         |
| <b>2H 2023</b>                |                       |                                 |   |                   |
| <b>Opening net book value</b> | <b>5</b>              | <b>-</b>                        | <b>16</b>   | <b>21</b>         |
| Additions                     | -                     | -                               | 1   | 1                 |
| Depreciation charge           | (5)                   | -                               | (8)   | (13)              |
| <b>Closing net book value</b> | <b>-</b>              | <b>-</b>                        | <b>9</b>  | <b>9</b>          |
| <b>At 31 Dec 2023</b>         |                       |                                 |   |                   |
| Cost                          | 122                   | 7                               | 109   | 238               |
| Accumulated depreciation      | (122)                 | (7)                             | (100)   | (229)             |
| <b>Net book value</b>         | <b>-</b>              | <b>-</b>                        | <b>9</b>  | <b>9</b>          |

## 11 RIGHT-OF-USE ASSETS

| Group                         | Property<br>US\$'000 | Office<br>Equipment<br>US\$'000 | Heavy<br>Equipment and<br>Machinery<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------|----------------------|---------------------------------|---|-------------------|
| <b>At 30 Jun 2023</b>         |                      |                                 |   |                   |
| Cost                          | 399                  | 14                              | 260   | 673               |
| Accumulated depreciation      | (104)                | (3)                             | (260)   | (367)             |
| <b>Net book value</b>         | <b>295</b>           | <b>11</b>                       | <b>-</b>  | <b>306</b>        |
| <b>2H 2023</b>                |                      |                                 |   |                   |
| <b>Opening net book value</b> | <b>295</b>           | <b>11</b>                       | <b>-</b>  | <b>306</b>        |
| Additions                     | -                    | -                               | -   | -                 |
| Disposals                     | -                    | -                               | -*  | -*                |
| Depreciation charge           | (59)                 | (2)                             | -   | (61)              |
| <b>Closing net book value</b> | <b>236</b>           | <b>9</b>                        | <b>-</b>  | <b>245</b>        |
| <b>At 31 Dec 2023</b>         |                      |                                 |   |                   |
| Cost                          | 399                  | 14                              | 260   | 673               |
| Accumulated depreciation      | (163)                | (5)                             | (260)   | (428)             |
| <b>Net book value</b>         | <b>236</b>           | <b>9</b>                        | <b>-</b>  | <b>245</b>        |

\* net book value was zero.

## 11 RIGHT-OF-USE ASSETS (CONT'D)

| Company                       | Property<br>US\$'000 | Office<br>Equipment<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------|----------------------|---------------------------------|-------------------|
| <b>At 30 Jun 2023</b>         |                      |                                 |                   |
| Cost                          | 282                  | 14                              | 296               |
| Accumulated depreciation      | (46)                 | (3)                             | (49)              |
| <b>Net book value</b>         | <b>236</b>           | <b>11</b>                       | <b>247</b>        |
| <b>2H 2023</b>                |                      |                                 |                   |
| <b>Opening net book value</b> | <b>236</b>           | <b>11</b>                       | <b>247</b>        |
| Additions                     | -                    | -                               | -                 |
| Depreciation charge           | (39)                 | (2)                             | (41)              |
| <b>Closing net book value</b> | <b>197</b>           | <b>9</b>                        | <b>206</b>        |
| <b>At 31 Dec 2023</b>         |                      |                                 |                   |
| Cost                          | 282                  | 14                              | 296               |
| Accumulated depreciation      | (85)                 | (5)                             | (90)              |
| <b>Net book value</b>         | <b>197</b>           | <b>9</b>                        | <b>206</b>        |

## 12 PRODUCING OIL AND GAS PROPERTIES

| Group  | Development<br>and Production<br>Assets<br>US\$'000 | Development<br>Tangible Assets<br>US\$'000 | Participating<br>and<br>Concession<br>Rights<br>US\$'000 | Total<br>US\$'000 |
|--|---|--|--|-------------------|
| <b>At 30 Jun 2023</b>                          |   |  |  |                   |
| Cost   | 56,166  | 6,464                                      | 600  | 63,230            |
| Accumulated amortisation and impairment losses | (44,953)  | (6,081)                                    | (600)  | (51,634)          |
| <b>Net book value</b>                          | <b>11,213</b>                                       | <b>383</b>                                 | <b>-</b>   | <b>11,596</b>     |
| <b>2H 2023</b>                                 |   |  |  |                   |
| <b>Opening net book value</b>                  | <b>11,213</b>                                       | <b>383</b>                                 | <b>-</b>   | <b>11,596</b>     |
| Additions                                      | 589   | 181  | -  | 770               |
| Amortisation charge                            | (1,739)   | (120)                                      | -  | (1,859)           |
| <b>Closing net book value</b>                  | <b>10,063</b>                                       | <b>444</b>                                 | <b>-</b>   | <b>10,507</b>     |
| <b>At 31 Dec 2023</b>                          |   |  |  |                   |
| Cost   | 56,755  | 6,645                                      | 600  | 64,000            |
| Accumulated amortisation and impairment losses | (46,692)  | (6,201)                                    | (600)  | (53,493)          |
| <b>Net book value</b>                          | <b>10,063</b>                                       | <b>444</b>                                 | <b>-</b>   | <b>10,507</b>     |

## 12 PRODUCING OIL AND GAS PROPERTIES (CONT'D)

The Group performs assessment of the carrying value of its non-financial assets (other than goodwill) when there is indication of impairment. The recoverable amounts of CGU are determined based on value-in-use calculations and fair value less cost of sale. These calculations require the use of estimates and key assumptions, inter alia, petroleum recoverable reserves, future crude oil prices, operating costs, capital expenditure, decline rate and number of payment of invoices received by the Group in the financial period. Management used the 2024 revised budgets reviewed by the respective owner committees and also past experiences as a guide. The period beyond 2024 until the contracts expire assumes some drilling activities undertaken to further develop the existing fields. Future cash flows are discounted using discount rates of 21% per annum (2022: 18% per annum) (a comparable rate used by other companies in the region and in the similar nature of business sector). The average pre-tax discount rate is estimated to be 37% per annum (2022: 30% per annum).

Based on the impairment test of the Myanmar CGU, no impairment charge was recognised for producing oil and gas properties for 2H 2023. The estimated recoverable amount of the Myanmar CGU was higher than its carrying amount.

## 13 EXPLORATION AND EVALUATION ("E&amp;E") ASSETS

| Group                         | Exploration and<br>Evaluation<br>Assets<br>US\$'000 | Participating<br>Rights<br>US\$'000 | Total<br>US\$'000 |
|-------------------------------|---|-------------------------------------|-------------------|
| <b>At 30 Jun 2023</b>         |   |                                     |                   |
| Cost                          | 20,127  | 1,435                               | 21,562            |
| Accumulated impairment losses | (11,127)  | -                                   | (11,127)          |
| <b>Net book value</b>         | <b>9,000</b>  | <b>1,435</b>                        | <b>10,435</b>     |
| <b>2H 2023</b>                |   |                                     |                   |
| <b>Opening net book value</b> | <b>9,000</b>  | <b>1,435</b>                        | <b>10,435</b>     |
| Additions                     | 18  | -                                   | 18                |
| Impairment losses             | -   | -                                   | -                 |
| <b>Closing net book value</b> | <b>9,018</b>  | <b>1,435</b>                        | <b>10,453</b>     |
| <b>At 31 Dec 2023</b>         |   |                                     |                   |
| Cost                          | 20,145  | 1,435                               | 21,580            |
| Accumulated impairment losses | (11,127)  | -                                   | (11,127)          |
| <b>Net book value</b>         | <b>9,018</b>  | <b>1,435</b>                        | <b>10,453</b>     |

In FY 2023, based on the latest independent review of Kuala Pambuang exploration, management assessed that after the impairment loss of US\$4.88 mil in 1H 2023, the Group's E&E assets continue to reflect at its net recoverable amount of US\$9.00 mil. In addition, the third extension approval letter from SKKMIGAS for the exploration period of KP PSC has been extended for 18 months from 25 Jul 2023 to 14 Mar 2025 for second exploration well KP-2. Management has assessed that there is no impairment indicator for further impairment loss to be made in FY 2023. The Group continues to have ability and intention to explore the assets which are believed to have commercial viability.

## 14 INTANGIBLE ASSETS

| Group  | Goodwill on<br>Reverse<br>Acquisition<br>US\$'000 | Computer<br>Software<br>US\$'000 | Patent Rights<br>US\$'000 | Total<br>US\$'000 |
|--|---|----------------------------------|---------------------------|-------------------|
| <b>At 30 Jun 2023</b>                          |   |                                  |                           |                   |
| Cost   | 1,489   | 26                               | -                         | 1,515             |
| Accumulated amortisation and impairment losses | (1,489)   | (26)                             | -                         | (1,515)           |
| <b>Net book value</b>                          | <b>-</b>  | <b>-</b>                         | <b>-</b>                  | <b>-</b>          |
| <b>2H 2023</b>                                 |   |                                  |                           |                   |
| <b>Opening and Closing net book value</b>      | <b>-</b>  | <b>-</b>                         | <b>-</b>                  | <b>-</b>          |
| <b>At 31 Dec 2023</b>                          |   |                                  |                           |                   |
| Cost   | 1,489   | 26                               | -                         | 1,515             |
| Accumulated amortisation and impairment losses | (1,489)   | (26)                             | -                         | (1,515)           |
| <b>Net book value</b>                          | <b>-</b>  | <b>-</b>                         | <b>-</b>                  | <b>-</b>          |

In FY 2023, the Group disposed the patent rights at US\$3.48 mil following the cancellation of the loan under the loan agreement with joint operator and joint operation partners. The transfer of patent rights was completed in Jun 2023, with a gain on disposal of patent rights of US\$1.71 mil.

## 15 INVESTMENTS IN ASSOCIATED COMPANIES

| Group and Company                       | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 |
|---|-----------------------|-----------------------|
| Equity investment at costs              | 7,358                 | 7,358                 |
| Share of losses in associated companies | (7,358)               | (7,358)               |
|   | <b>-</b>              | <b>-</b>              |

## 16 INVESTMENTS IN JOINT VENTURE

|                                  | Group                 |                       | Company               |                       |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                  | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 | 31-Dec-23<br>US\$'000 | 31-Dec-22<br>US\$'000 |
| Equity investment at costs       | 287                   | -                     | 287                   | -                     |
| Share of losses in joint venture | (3)                   | -                     | -                     | -                     |
|                                  | <b>284</b>            | <b>-</b>              | <b>287</b>            | <b>-</b>              |

E NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

17 INVESTMENTS IN CONVERTIBLE BOND

| Group and Company  | 31-Dec-23    | 31-Dec-22 |
|--|--------------|-----------|
|  | US\$'000     | US\$'000  |
| At costs   | 1,123        | -         |
| Fair value loss on convertible bond through profit or loss | (13)         | -         |
| Revaluation gain   | 14           | -         |
|  | <u>1,124</u> | <u>-</u>  |

In FY 2023, the Company participated in the joint venture of solar farm by purchasing a convertible bond issued by VibroPower Corporation Limited, a company listed on SGX-ST Mainboard at a principal amount of S\$1.50 mil (equivalent US\$1.12 mil) at a coupon rate of 8.5% per annum. Under SFRS(I) 9 Financial Instruments, the standards required the convertible bond to re-measure at fair value through profit or loss.

18 BORROWINGS AND DEBT SECURITIES

| Group  | 31-Dec-23           |                       | 31-Dec-22           |                       |
|--|---------------------|-----------------------|---------------------|-----------------------|
|  | Secured<br>US\$'000 | Unsecured<br>US\$'000 | Secured<br>US\$'000 | Unsecured<br>US\$'000 |
| Amount repayable in one year or less, or on demand | -                   | -                     | -                   | -                     |
| Amount repayable after one year                    | -                   | -                     | -                   | -                     |

19 CAPITAL COMMITMENTS

The Group's capital commitments are in respect of the investments in the IPRCs in Myanmar and PSC KP in Indonesia. The capital expenditure as at 31 Dec 2023 and 31 Dec 2022 are based on the work programmes and budgets approved by the respective local authorities. These include development and well drillings in Myanmar.

| Group                   | 31-Dec-23    | 31-Dec-22    |
|-------------------------|--------------|--------------|
|                         | US\$'000     | US\$'000     |
| Not later than one year | <u>2,489</u> | <u>3,333</u> |

20 SHARE CAPITAL

| Group and Company   | 31-Dec-23          | 31-Dec-22          | 31-Dec-23     | 31-Dec-22     |
|---|--------------------|--------------------|---------------|---------------|
|   | Number of Shares   |                    | US\$'000      | US\$'000      |
| <u>Issued and fully paid</u><br>Opening and Closing balance | <u>655,498,604</u> | <u>655,498,604</u> | <u>75,157</u> | <u>75,157</u> |

No additional shares were issued in 2H 2023.

On 17 Nov 2023, the Company granted share options to employees to subscribe for 2,900,000 ordinary shares of the Company at an exercise price of S\$0.036 per share ("2023 Options"). The 2023 Options are exercisable from 18 Nov 2024 and expire on 17 Nov 2028. The total fair value of the 2023 Options granted was estimated to be S\$34,499 (US\$25,575) using the Binomial Option Pricing Model.

The Company does not have any treasury shares or subsidiary holdings as at 31 Dec 2023 and 31 Dec 2022 respectively.

## F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

### 1 REVIEW

The condensed consolidated statement of financial position of Interra Resources Limited and its subsidiary corporations as at 31 Dec 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the second-half year then ended 31 Dec 2023 and certain explanatory notes have not been audited or reviewed.

### 2 PERFORMANCE REVIEW

#### (A) SIGNIFICANT FACTORS THAT AFFECT THE TURNOVER, COSTS AND EARNINGS OF THE GROUP

##### Revenue & Production

Revenue decreased by US\$5.36 mil to US\$19.13 mil in FY 2023 from US\$24.49 mil in FY 2022. This was largely due to lower weighted average transacted oil price in FY 2023 of US\$81.27 per barrel (FY 2022: US\$99.31 per barrel) despite higher sales of shareable oil by 2% to 319,909 barrels in FY 2023 (FY 2022: 312,323 barrels).

##### Cost of Production

The increase in cost of production to US\$11.95 mil in FY 2023 from US\$11.86 mil in FY 2022 was largely attributable to higher amortisation charges and depreciation charges in FY 2023 of US\$3.19 mil (FY 2022: US\$2.99 mil) offset by lower production expenses of US\$8.75 mil in FY 2023 as compared to FY 2022 of US\$9.23 mil. Myanmar operations incurred capital expenditures of US\$2.62 mil in FY 2023 (FY 2022: US\$2.57 mil) which resulted in higher amortisation and depreciation charges of producing oil and gas properties.

##### Net Profit

The Group posted a lower net profit of US\$1.12 mil in FY 2023 as compared to a net profit of US\$9.51 mil in FY 2022. The lower net profit was mainly due to the following:

- (1) Lower revenue of US\$19.13 mil in FY 2023 (FY 2022: US\$24.49 mil) as abovementioned under Revenue & Production.
- (2) Higher other income of US\$3.23 mil in FY 2023 (FY 2022: US\$0.66 mil) was mainly due to gain on disposal of patent rights of US\$1.71 mil (FY 2022: nil) upon the completion of the transfer in FY 2023 as announced on 31 Mar 2023 through SGXNet. Higher interest income from bank deposits of US\$0.64 mil in FY 2023 (FY 2022: US\$0.08 mil) was in line with higher fixed deposit balance and higher interest rates in FY 2023. Higher interest income from loan to non-related parties of US\$0.57 mil in FY 2023 (FY 2022: US\$0.25 mil) was due to higher loan interest rate charged at 5% above Secured Overnight Financing Rate of 10.31% per annum in FY 2023 (FY 2022: 6.31% per annum).
- (3) Higher administrative expenses of US\$3.08 mil in FY 2023 (FY 2022: US\$2.61 mil) were mainly due to higher corporate expenses and expenses from operations in Myanmar.
- (4) Impairment loss on E&E assets of US\$4.88 mil was incurred in FY 2023 (FY 2022: nil) after the independent review of KP exploration, to its net recoverable amount of US\$9.00 mil against the net book value of US\$13.90 mil.

**F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

**2 PERFORMANCE REVIEW (CONT'D)**

**(B) MATERIAL FACTORS THAT AFFECT THE CASH FLOW, WORKING CAPITAL, ASSETS OR LIABILITIES OF THE GROUP**

**Statement of Financial Position**

Right-of-use assets decreased to US\$0.25 mil as at 31 Dec 2023 from US\$0.37 mil as at 31 Dec 2022 due to amortisation charges of US\$0.12 mil during the financial year under review.

Producing oil and gas properties decreased by US\$0.57 mil to US\$10.51 mil as at 31 Dec 2023 from US\$11.08 mil as at 31 Dec 2022 due to net capitalisation of drilling expenditures of US\$2.62 mil offset by amortisation charges of US\$3.19 mil for the financial year.

Exploration and evaluation assets decreased to US\$10.46 mil as at 31 Dec 2023 from US\$13.92 mil as at 31 Dec 2022 mainly due to capitalisation of production testing costs of US\$1.42 mil offset by impairment loss on E&E assets of US\$4.88 mil incurred during the financial year.

Intangible assets decreased to nil as at 31 Dec 2023 from US\$1.77 mil as at 31 Dec 2022 following the completion of the transfer of patent rights to joint operation partner, resulting in a gain on disposal of intangible assets of US\$1.71 mil during the financial year.

Investments in joint venture increased to US\$0.28 mil as at 31 Dec 2023 following the incorporation of joint venture company, PT Mitra Biomass Internasional ("MBI") in Indonesia. The Company has a 40% shareholding interests in MBI which was set up to build and operate a wood pellet plant in Sumatra, Indonesia.

Investments in convertible bond increased to US\$1.12 mil following the completion of the issuance of a convertible bond by VibroPower Corporation Limited, a company listed on SGX-ST Mainboard at a principal amount of S\$1.50 mil (equivalent US\$1.12 mil) at a coupon rate of 8.5% per annum.

Inventories decreased by US\$0.47 mil to US\$3.35 mil as at 31 December 2023 from US\$3.82 mil as at 31 Dec 2022 due to utilisation of consumable inventories for Myanmar drilling activities and Indonesia production testing.

Trade and other receivables (non-current) increased to US\$5.99 mil as at 31 Dec 2023 from US\$5.23 mil as at 31 Dec 2022 mainly due to increase of loan to non-related parties for the exploration activities in Kuala Pambuang PSC Indonesia. The loan comprises amount to PT Mentari Abdi Nusa ("MAN") and PT Energy Alam Mandiri ("EAM") of US\$4.24 mil and US\$1.75 mil respectively. The loan to MAN is secured by pledge of its shares in PT Mentari Pambuang Investindo ("MPI"). Trade and other receivables (current) decreased to US\$2.72 mil as at 31 Dec 2023 from US\$4.90 mil as at 31 Dec 2022 mainly due to improved collection.

Trade and other payables (non-current) decreased by US\$3.48 mil from US\$4.32 mil in FY2022 to US\$0.84 mil in FY 2023 was due to full settlement of other payable due to the Group's joint operation partners by Goldpetrol as per the loan agreement made among Goldpetrol and the Group's joint operation partners. Trade and other payables (current) decreased by US\$0.83 mil from US\$4.57 mil in FY 2022 to US\$3.74 mil in FY 2023 was mainly due to increased payment to vendors.

Lease liabilities (non-current and current) decreased by US\$0.20 mil to US\$0.25 mil as at 31 Dec 2023 from US\$0.45 mil as at 31 Dec 2022 due to repayment of the principal elements of lease payments and interest of US\$0.15 mil during the financial year.

**F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

**2 PERFORMANCE REVIEW (CONT'D)**

**Statement of Cash Flows**

Cash and cash equivalents showed a net increase of US\$3.12 mil in FY 2023 due to the following:

- (1) Net cash provided by operating activities of US\$8.12 mil was mainly due to net cash inflows from oil and gas operations in Myanmar of US\$7.07 mil.
- (2) Net cash used in investing activities of US\$4.85 mil was mainly due to addition of exploration and evaluation assets of US\$1.42 mil, capital expenditure for Myanmar operations of US\$2.62 mil, investment in convertible bond of US\$1.12 mil and investment in joint venture of US\$0.29 mil and was partly offset by higher interest received of US\$0.61 mil.
- (3) Net cash used in financing activities of US\$0.16 mil was mainly due to repayment of lease payments.

**3 WHERE A FORECAST, OR A PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS**

NA.

**4 COMMENTARY**

Myanmar's shareable production increased by 3% from 157,239 barrels in 1H 2023 to 162,669 barrels in 2H 2023. During FY 2023, the Company drilled 6 new wells, all located in Chauk Field. The combined production from the new wells and water flooding projects during the year contributed to the increase in production in 2H 2023. The situation in Myanmar remains challenging, and the Company will continue to monitor developments closely.

For Kuala Pambuang PSC, Exploration well KP-1 was plugged and suspended as announced on 14 Nov 2023. The Group received the third extension letter from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi ("SKKMIGAS") approving the extension of the exploration period from 25 Jul 2023 to 14 Mar 2025 to drill the second exploration well, KP-2. No significant contribution is expected from this field in the near term.

The Group has made first foray investments into renewable energy business in the last quarter of FY 2023 by entering into joint ventures. The first joint venture was entered on 9 Oct 2023 whereby the Group and its two joint venture partners, PT Mitra Investindo Tbk and PT Prima Aset Lestari had incorporated a joint venture company, MBI, to build and operate a wood pallet plant in Sumatra, Indonesia. On 1 Nov 2023, the Group entered into another joint venture with VibroPower Corporation Limited, a company listed on SGX-ST Mainboard, to build a 2-megawatt solar farm, which when constructed, will be capable of generating up to 2 thousand kilowatts of electricity from sunlight and to develop a renewable energy supply business. The Group will be looking into more opportunities into the renewable energy business so as to diversify its income stream and result in more value creation to shareholders. The Company will make the necessary announcements when appropriate on such business opportunities as and when they arise.

**F OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONT'D)**

**5 DIVIDEND**

- (a) **Any dividend recommended for the current financial period reported on**  
No.
- (b) **Any dividend declared for the corresponding period of the immediately preceding financial year**  
No.
- (c) **Whether the dividend is before tax, net of tax or tax exempt**  
NA.
- (d) **Date payable**  
NA.
- (e) **Books closure date**  
NA.

**6 (A) IF NO DIVIDEND HAS BEEN DECLARED (RECOMMENDED), A STATEMENT TO THAT EFFECT AND THE REASON(S) FOR THE DECISION**

The Company has not declared a dividend for the current financial period/year reported on. Currently, the Company does not have profits available to declare dividend.

**(B) A BREAKDOWN OF THE TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE ISSUER'S LATEST FULL YEAR AND ITS PREVIOUS FULL YEAR**

NA.

**7 INTERESTED PERSON TRANSACTIONS**

The Company has not obtained any general mandate from shareholders pursuant to Rule 920(1)(a)(ii) of the Listing Rules.

**8 CONFIRMATION BY THE BOARD OF DIRECTORS PURSUANT TO RULE 705(5)**

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to their attention which may render the interim financial statements for the second half-year ended 31 Dec 2023 to be false or misleading in any material respect.

**9 CONFIRMATION PURSUANT TO RULE 720(1)**

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7).

**10 RULE 704(13)**

There are no person occupying a managerial position in the Company and/or its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company during FY 2023.

**G ABBREVIATIONS**

|            |         |  |
|------------|---------|--|
| 1H 2022    | denotes | First half-year ended 30 June 2022   |
| 2H 2022    | denotes | Second half-year ended 31 December 2022  |
| 1H 2023    | denotes | First half-year ended 30 June 2023   |
| 2H 2023    | denotes | Second half-year ended 31 December 2023  |
| FY 2022    | denotes | Financial year ended 31 December 2022  |
| FY 2023    | denotes | Financial year ended 31 December 2023  |
| bopd       | denotes | barrels of oil per day   |
| Company    | denotes | Interra Resources Limited  |
| SFRS(I)    | denotes | Singapore Financial Reporting Standards (International)  |
| Goldpetrol | denotes | Goldpetrol Joint Operating Company Inc.  |
| Goldwater  | denotes | Goldwater Company Limited  |
| Group      | denotes | Interra Resources Limited and its subsidiary corporations and interests in joint operations and associated companies |
| GKP        | denotes | Goldwater KP Pte. Ltd.   |
| IPRC       | denotes | Improved Petroleum Recovery Contract   |
| k          | denotes | thousand   |
| KP         | denotes | Kuala Pambuang block   |
| MBI        | denotes | PT Mitra Biomass Internasional   |
| mil        | denotes | million  |
| MOGE       | denotes | Myanma Oil and Gas Enterprise  |
| NA         | denotes | Not applicable   |
| NM         | denotes | Not meaningful   |
| PSC        | denotes | Production Sharing Contract  |

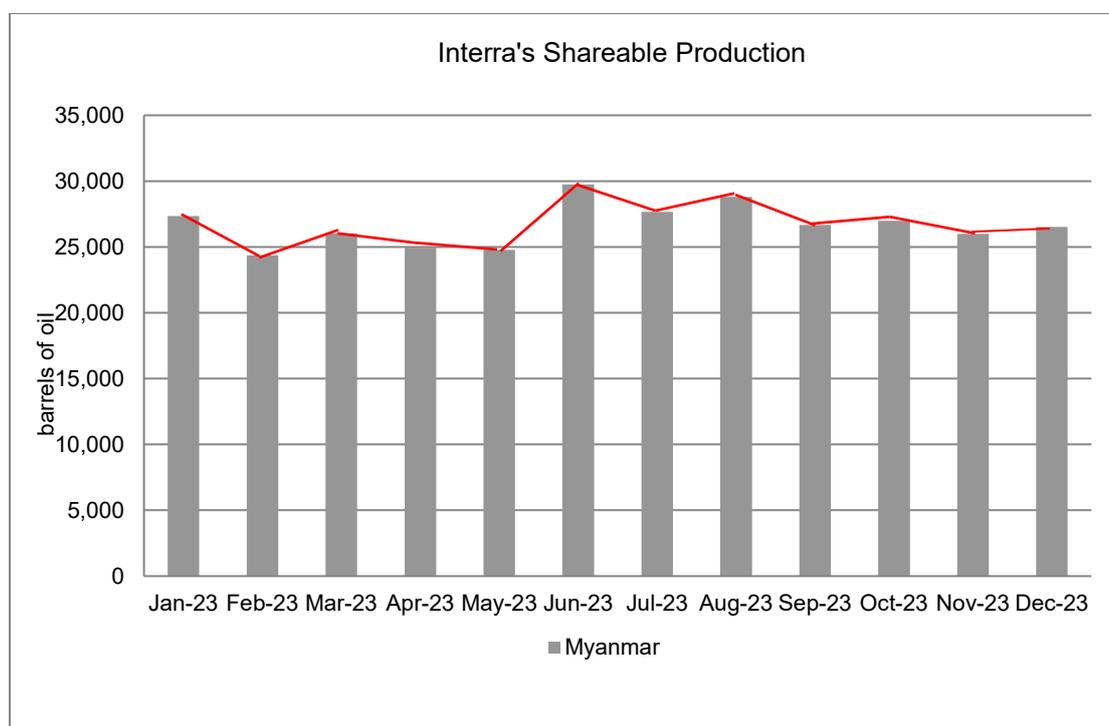
This release may contain forward-looking statements that are not statements of historical facts, and are subject to risk factors associated with the upstream petroleum and mining businesses. Actual future results, performance and outcomes may differ materially from those anticipated, expressed or implied in such forward-looking statements as a result of a number of risks, uncertainties and/or assumptions including but not limited to petroleum price fluctuations, actual petroleum demand, currency fluctuations, drilling and production results, reserve estimates, loss of contracts, industry competition, credit risks, environmental risks, geological risks, political risks, legislative, fiscal and regulatory developments, general industry conditions, economic and financial market conditions in various countries and regions, project delay or advancement, cost estimates, changes in operating expenses, cost of capital and capital availability, interest rate trends and the continued availability of financing in the amounts and the terms necessary to support future business. Undue reliance must not be placed on these forward-looking statements, which are based on current developments, events or circumstances, and may not be updated or revised to reflect new information or events.

28 February 2024

## PRODUCTION, DEVELOPMENT & EXPLORATION ACTIVITIES FOR THE SECOND HALF-YEAR ENDED 31 DECEMBER 2023 ("2H 2023")

### Production Profile

| (Barrels)                               | Myanmar   |  |
|---|---|--|
|   | First<br>Half-Year Ended<br>30 June 2023<br>("1H 2023") | Second<br>Half-Year Ended<br>31 December 2023<br>("2H 2023") |
| Shareable production                    | 262,065   | 271,115  |
| Interra's share of shareable production | 157,239   | 162,669  |



*Shareable production is defined as the petroleum produced in the contract area that is over and above the non-shareable production in accordance with the contractual terms. The chart above represents Interra's share of the shareable production in the fields.*



**Development and Production Activities**

**Myanmar: Chauk and Yenangyaung IPRCs (Interra 60%)**

In 2H 2023, the combined shareable production for both fields was 162,669 barrels of oil, an increase of 3% over the 1H 2023 of 157,239 barrels of oil.

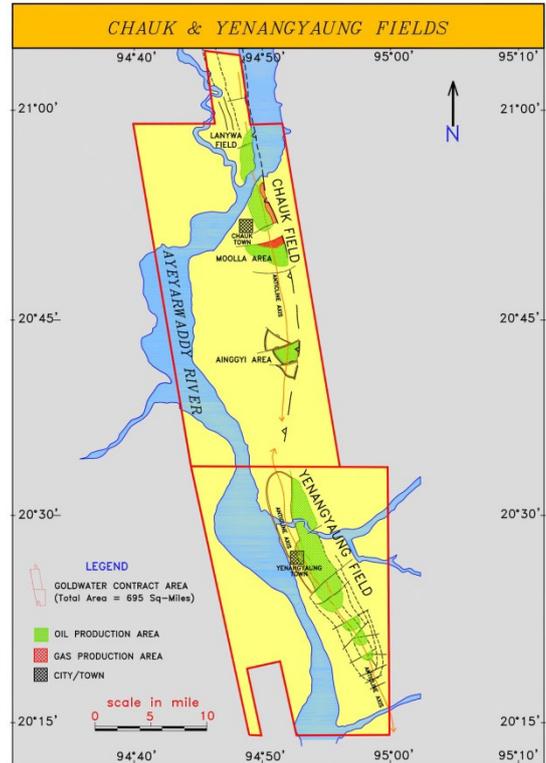
Production and development expenditures for the 2H 2023 were US\$4,438,193 and US\$770,722 respectively.

The operator, Goldpetrol Joint Operating Company Inc. (“Goldpetrol”) (Interra 60%), has completed its obligation to drill six new wells for FY 2023 and did not drill any more new wells in 2H 2023. Drilling of all six new wells was completed in the first half of the year with a total cumulative oil production of 42,239 barrels of oil up to 31 December 2023. The six wells were all located in the Chauk Field.

The wellhead production gain since the waterflood commencement is currently averaging approximately 405 bopd from all producing wells in the ten waterflood areas. Results from the latest wells drilled in the second quarter of 2023 are performing as expected and providing reservoir pressure support and contributing to enhancing oil recovery in that area of the field.

Normal field operations and improvements have been ongoing with respect to boreholes and surface infrastructure, combined with scheduled maintenance in existing wells with the objective of minimizing production declines.

“bopd” denotes “barrels of oil per day”





**Exploration Activities**

**Indonesia: Kuala Pambuang PSC (Interra 72.75%)**

As per the announcement on 2 October 2023, the Company received the third extension letter from Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi (“SKKMIGAS”) dated 29 September 2023 approving the extension of the exploration period from 25 July 2023 to 14 March 2025, with the main program to drill additional exploration well KP-2.

The Work Program and Budget 2024 was approved by SKKMIGAS to do KP-2 well site and drilling preparation.

**Production Testing exploration well KP-1 and additional exploration Drilling well KP-2:**

The KP-1 production test has been concluded and resulted in high-water production with traces of oil. Based on the post analysis result, KP-1 will be plugged and suspended.

Following testing result of KP-1, a 1.5 years extension period was approved with an obligation to drill one further exploratory well in different closure of well KP-1. The proposed Second Exploration Well (“KP-2”) location has been approved by SKKMIGAS. The KP-2 has greater closure with better reservoir characteristics than the KP-1’s location. The prospect has been further de-risked by the results of KP-1, proving the presence of an effective top seal and medium quality 27 degrees API oil from fully mature source rocks.

Exploration costs for the 2H 2023 were US\$18,140.

